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A COLLECTION
OF
THE ACTS
PASSED BY
THE GOVERNOR GENERAL OF INDIA IN COUNCIL
IN THE YEAR
1907

CALCUTTA
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TITLES OF ACTS

PASSED BY

THE GOVERNOR GENERAL OF INDIA IN COUNCIL IN THE YEAR 1907.

- I. An Act further to amend the Presidency Banks Act, 1876.
- II. " to provide for the inspection of Steam-boilers and Prime movers and for their management by competent Engineers in the Central Provinces.
- III. " to consolidate and amend the Law relating to Insolvency in British India, as administered by Courts having jurisdiction outside the Presidency-towns and the Town of Rangoon.
- IV. " to repeal and amend certain Enactments relating to abolished rates and cesses.
- V. " further to amend the Local Authorities Loan Act, 1879.
- VI. " to make better provision for the prevention of public meetings likely to promote sedition or to cause a disturbance of public tranquillity.

ACT NO. I OF 1907.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 15th February, 1907.)

An Act further to amend the Presidency Banks Act, 1876.

XI of 1876. WHEREAS it is expedient further to amend the Presidency Banks Act, 1876; It is hereby enacted as follows:—

1. This Act may be called the Presidency Banks Short title. (Amendment) Act, 1907.
2. In section 10 of the Presidency Banks Act, Amendment 1876, the words "to thirty millions of rupees", "to twelve millions of rupees" and "to twenty millions of rupees", and in section 14 of the said Act the proviso, shall be repealed.
3. In section 36 of the said Act the following amendments of section 36 of same Act. shall be made, namely :—
 - (i) in paragraph (a), to clause (1) the following shall be added, namely :—

"and, in the case of the Bank of Madras, securities of the Government of Ceylon";
 - (ii) in the same paragraph, to clause (3) the following shall be added, namely :—

"or such securities issued by State-aided railways as the Governor General in Council may from time to time prescribe";
 - (iii) in the same paragraph, in clause (4), after the words "any municipal body" the words "or any district board" shall be inserted;
 - (iv) in

(iv) in the same paragraph, to clause (6) the following shall be added, namely :—

“and joint and several promissory notes of two or more persons or firms unconnected with each other in general partnership”;

(v) after paragraph (b) the following shall be inserted, namely :—

“(bb) the advancing and lending money to Courts of Wards upon the security of estates in their charge or under their superintendence and the realization of such advances or loans and any interest due thereon, provided that no such advance or loan shall be made without the previous sanction of the Local Government concerned and that the period for which any such advance or loan is made shall not exceed six months”; and

(vi) at the end of paragraph (d) the following shall be added, namely :—

“Provided that—

(1) the power of investing in the securities of the Government of Ceylon shall extend only to the Bank of Madras, and

(2) the total of the assets held at any time by the Bank of Madras either upon the security of, or invested in, securities of the Government of Ceylon in accordance with the authority conferred by paragraph (a), clause (1), or this paragraph, shall not exceed the sum of the deposits held and balances of cash accounts at credit at the Ceylon Branch of the said Bank of Madras.”

4. In section 37 of the said Act the following amendments shall be made, namely :—

- (i) in clause (a), for the words "three months" the words "six months" shall be substituted;
- (ii) to clause (c) the following words shall be prefixed, namely :—
"save in the case of the estates specified in section 36, paragraph (bb)";
- (iii) in clause (f), for the words "three months", each time they occur, the words "six months" shall be substituted, and the proviso shall be repealed; and
- (iv) in the last paragraph, for the words "from overdrawing" the words "to overdraw," and for the words "sums not exceeding at any one time two thousand rupees in the whole," the words "such sums not exceeding at one time ten thousand rupees in the whole as may be prescribed for the time being by the bye-laws made under this Act" shall be substituted.

5. After section 42 of the said Act the following section shall be inserted, namely :—

"42A. (1) With the sanction of the Governor General in Council, the directors may at any time enter into negotiations for and purchase and take over the business, including the capital, assets and liabilities, of any banking company carrying on business in India of which the capital is divided into shares, and may pay the consideration for such purchase either in cash or by the allotment of shares in the capital stock of the Bank, or partly in one and partly in the other of these ways, and may, for the purpose of any such allotment of shares, increase the capital stock of the Bank by the issue of such number of shares as may be determined on by them:

Provided that the directors shall not make any increase of the capital stock of the Bank under this section unless the proprietors and shareholders have

passed

Amendments
of section 37
of same Act.

Addition of
new section
42A to same
Act.

Power of
Bank to take
over business
of certain
other Banks
and for that
purpose to
increase its
capital.

passed a special resolution in accordance with the provisions of section 13 sanctioning such increase.

(2) The persons to whom such new shares are allotted shall be proprietors of the Bank, and be in all respects in the same position as if they had respectively subscribed and paid for the shares so allotted to them :

Provided always that the business so purchased shall after the purchase be carried on by the Bank subject to the several restrictions contained in this Act.

Explanation.—For the purposes of this section ‘banking company’ means any company formed for the purpose of carrying on the business of banking and registered under the Indian Companies Act, 1882, or the law relating to Companies for the time being in force in British India.” VI of 1882.

*Addition to
section 63 (a)
of same Act.*

6. In section 63 of the said Act, to clause (a) the words “and the extent of the sums to which accounts may be overdrawn without security under the provisions of the last paragraph of section 37” shall be added.

ACT NO. II OF 1907.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

*(Received the assent of the Governor General on the 1st March
1907.)*

An Act to provide for the inspection of Steam-boilers and Prime-movers and for their management by competent Engineers in the Central Provinces.

WHEREAS it is expedient to provide for the inspection of steam-boilers and prime-movers and for their management by competent Engineers in the Central Provinces; It is hereby enacted as follows:—

1. (1) This Act may be called the Central Provinces Boiler Inspection Act, 1907.

Short title,
extent and
savings.

(2) It extends to the territories for the time being administered by the Chief Commissioner of the Central Provinces.

(3) Nothing in this Act shall be deemed to apply to—

(a) any locomotive engine, boiler or prime-mover used upon or appertaining to any railway, within the meaning of that word as defined in section 3, clause (4), of the Indian Railways Act, 1890, or

(b) any boiler or prime-mover used exclusively for domestic purposes at atmospheric pressure, or

(c) any boiler or prime-mover used upon any vehicle or class of vehicles which the Chief Commissioner may, by notification in the local official Gazette, specify in this behalf.

2. In

6 *Central Provinces Boiler Inspection. [ACT II*
(Section 2. Inspection and licensing of Boilers.—
Sections 3-4.)

Definitions. 2. In this Act, unless there is anything repugnant in the subject or context,—

- (a) “boiler” includes any cylinder or vessel used for generating steam under pressure, and any steam-chest or other apparatus closely attached thereto :
- (b) “prime-mover” includes any steam-engine, steam-hammer, fly-wheel, first driving shaft, or pulley attached to such engine, and every appurtenance necessary for the safe and efficient working of a prime-mover :
- (c) “owner” includes any person using any boiler as agent of, or on hire from, the owner thereof : and
- (d) “prescribed” means prescribed by rules under this Act.

Inspection and licensing of Boilers.

Appointment of inspectors. 3. The Chief Commissioner may appoint one or more duly qualified persons to be inspectors for the purposes of this Act, and may fix the local extent of each such inspector's duties.

Use of boiler by owner without license prohibited. 4. The owner of a boiler shall not use the same, or permit the same to be used,—

- (a) except under and in accordance with the conditions of a license duly granted and in force under this Act, and
- (b) unless the boiler is under the direct and immediate management and charge of an engineer holding a certificate of competency under this Act declaring that he is competent to manage or be in charge of a boiler of such capacity or kind.

Explanation.—A person employed to manage and be in charge of not more than two sets of boilers belonging

belonging to the same owner, and so situated that no one of them is more than a thousand feet apart from any other of them, shall be deemed to be employed in direct and immediate management and charge of all such boilers.

5. (1) The owner of any boiler who desires to use the same shall, if it is unregistered, cause it to be registered and number-ing of boilers.

(2) The owner of a boiler may give notice in writing to the inspector that he desires to have the same registered, whereupon the inspector shall register such boiler and shall allot to it a number (to be called the registry number) corresponding to the number of the entry concerning it in the register of boilers.

(3) Such number shall be communicated to the owner and shall, within such reasonable period as the inspector may direct, be permanently marked upon the boiler by the owner thereof so as to be plainly visible and in such manner as the Chief Commissioner may prescribe.

6. (1) The owner of a boiler which has been registered under section 5, or in respect to which the notice prescribed by sub-section (2) of that section has been given, shall, if he desires to use the same and does not possess a license in respect of the same granted under this Act and then in force, make an application for a license to the District Magistrate, and the District Magistrate shall cause an examination of the boiler and of every appurtenance closely attached thereto to be made by an inspector with the least possible delay and within twenty days after the receipt of such application, and shall inform the owner of the date on which the said examination will take place.

(2) Every person making an application under this section shall simultaneously pay the prescribed fees for the examination.

7. (1) The

8 *Central Provinces Boiler Inspection. [ACT II
(Inspection and licensing of Boilers.—Sections 7-8.)]*

Duty of owner to afford facilities for examination of and information regarding boiler.

7. (1) The owner or person in charge of any boiler to be examined under section 6 shall—

(a) afford to the inspector all reasonable facilities for such examination, and all such information as may reasonably be required by him;

(2) previously arrange that—

(i) the boiler shall be empty and cool, and shall be cleaned inside and outside;

(ii) fire-flues shall be swept;

(iii) fire-bars and fire-bridges shall be removed;

(iv) blow-off and other cocks shall be cleared for the purpose of examination;

(c) if required by the inspector, cause any brick-work or masonry in contact with the boiler to be removed;

(d) during the examination, keep the boiler effectively disconnected from any steam or hot-water communication with any other boiler.

(2) The provision as to disconnection contained in clause (d) shall extend to every case in which a person is sent, or with the owner's assent goes, into a boiler for any purpose connected therewith.

Grant and renewal of boiler licenses.

8. (1) If the inspector is satisfied that a boiler examined under section 6 and the appurtenances closely attached thereto are in good condition, and if the registry number of the boiler is properly marked thereon in accordance with sub-section (3) of section 5, he shall forthwith give to the owner a license to that effect in the form of, and containing the particulars specified in, Schedule A.

(2) Every license so granted shall be renewed by the inspector from time to time, if he is satisfied, after re-examining the boiler and the appurtenances closely

closely attached thereto under the provisions of section 6, that the same are in good condition.

(3) Every original or renewed license granted under this section shall be granted for so long a period as it shall appear to the inspector probable that the boiler and the appurtenances closely attached thereto will remain in good condition :

Provided that no license shall remain in force for a period exceeding twelve months.

9. If an inspector refuses to give a license or a renewed license to the owner of a boiler, or refuses to give the same for the full period or pressure applied for, he shall give to such owner within forty-eight hours his reasons for such refusal in writing, and any owner deeming himself aggrieved by the refusal may, within one month from the date of its communication to him, lodge an appeal with the District Magistrate.

Appeal from
refusal to
grant boiler
license.

10. The District Magistrate shall appoint one or more assessors to aid him in disposing of the appeal, Disposal of appeals. and shall, within ten days of its receipt, publicly inquire into and determine such appeal.

(2) The District Magistrate may either reject the appeal, or grant the owner a license for such period, not exceeding twelve months, and for such pressure, as he thinks fit.

(3) If the decision of the District Magistrate is not in accordance with the opinion of the assessor or a majority of the assessors, an appeal from it shall lie to the Commissioner, who shall thereupon proceed to inquire into and determine the appeal, with or without the aid of assessors as he may think fit, in accordance with the provisions of sub-section (2), and the decision of the Commissioner on such appeal shall be final.

(4) In other cases the decision of the District Magistrate shall be final.

11. (1) If the District Magistrate or Commissioner is

Award of
costs in

10 *Central Provinces Boiler Inspection.* [ACT II
(*Inspection and licensing of Boilers.—Sections 12-13.*)

certain cases.

is of opinion that an appeal is unfounded or frivolous, he may award any sum not exceeding fifty rupces to be paid by the owner as costs.

(2) Any sum so awarded shall be recoverable from the owner as if it were an arrear of land-revenue.

Revocation
of boiler
licenses.

12. The District Magistrate may, after such inquiry as he may consider just, revoke any license granted under section 8 or section 10—

- (a) if any fee, lawfully due under this Act, is not paid after the same has been duly demanded ; or
- (b) if there is reason to believe that such license has been fraudulently obtained or erroneously granted, or has been granted without sufficient examination ; or
- (c) if there is reason to believe that, since the granting of such license, the boiler in respect whereof it was granted has sustained injury or has ceased to be in good condition.

Powers of
inspector in
connection
with exami-
nation of
licensed
boilers.

13. (1) Any inspector may, at any time between sunrise and sunset on any day during the period for which a license may have been granted under section 8 or section 10, examine any boiler, whether at work or not, for which such license has been granted, in order to ascertain whether such boiler is in good condition, and whether any cause exists for revoking the said license.

(2) Any inspector may order the working of a boiler which he desires to inspect under sub-section (1) to be stopped only when that shall in his opinion be indispensable for the proper examination of the boiler.

(3) The reasons for any such stoppage shall be given in writing by the inspector to the owner, on the owner's demand, concurrently with the order for stoppage,

stoppage, and the owner shall thereon become subject to the provisions of section 7.

14. If, at any time during the period for which a license under section 8 or section 10 has been granted, any structural alteration or renewal is made in any part of the boiler to which such license relates, the owner of such boiler shall give notice in writing of such alteration before it is completed to the District Magistrate or to such person as may be appointed by him in this behalf.

Duty of owner to report alterations in any part of licensed boiler.

15. (1) Every owner or person in charge of a boiler shall report in writing to the District Magistrate, or to such person as may be appointed by him in this behalf, every accident to the boiler, or to any apparatus attached thereto which is calculated to weaken the strength of such boiler or to render it liable to explode.

Procedure on accident to boiler.

(2) Every such report shall be made within twelve hours of the occurrence of the accident, and shall contain a true description of the nature of the accident and of the injury thereby caused sufficient to enable the person to whom it is made to judge of the gravity of the accident.

(3) The owner or person in charge of the boiler shall be bound to answer truly, to the best of his knowledge and ability, every question put to him in writing by the person to whom the report is made as to the cause, nature and extent of the accident.

(4) The District Magistrate, or any person generally or specially authorised by him in this behalf, may, after visiting the scene of any such accident as aforesaid, by an order in writing, direct that the use of the boiler be discontinued until it has been examined and certified as fit for use by an inspector.

16. (1) The owner of any boiler who has obtained a license therefor shall at all reasonable times during the period for which such license is in force be bound to produce the same when called upon to do so by the

Duty of owner to produce boiler license.

District

12 *Central Provinces Boiler Inspection. [ACT II
(Grant of certificates to Engineers.—Section 17.
Penalties and Procedure.—Section 18.)*

District Magistrate, or by any person generally or specially authorised in writing by the District Magistrate to demand its production.

(2) A person who becomes owner of a boiler during the period for which a license therefor is in force shall be entitled to receive the license from the preceding owner and shall be subject to the provisions of sub-section (1).

Grant of certificates to Engineers.

Grant of
engineers'
certificates
of compe-
tency.

17. Engineers' certificates of competency, declaring that the person named therein is competent to manage or be in charge of a boiler of such capacity or kind as is specified therein, may be granted and may be cancelled or suspended in accordance with such rules as may be prescribed by the Chief Commissioner in this behalf.

Penalties and Procedure.

Penalty for
non-compli-
ance by
owner with
requirements
of sections 7,
14, 15 and
16.

18. Any owner of a boiler who—
(a) fails, as required by section 7, to furnish an inspector with necessary information or to make the necessary dispositions for facilitating examination,
(b) fails to give notice, as required by section 14, of any structural alteration or renewal thereof,
(c) refuses or neglects to produce a license when duly called upon so to do under section 16, and
(d) every owner or person in charge of a boiler who fails to report, as required by section 15, any accident of the kind mentioned in the section,

shall, for every such omission, refusal or neglect, be punishable with fine which may extend to one hundred rupees.

19. Any

(Penalties and Procedure.—Sections 19-22.)

19. Any owner of a boiler who—

- (a) uses the same, or permits it to be used, without a license duly obtained and in force in respect thereof;
- (b) uses the same, or permits it to be used, at any time except whilst he has in his employ, in direct and immediate management and charge thereof, an engineer holding a certificate of competency under this Act declaring that he is competent to manage or be in charge of a boiler of such capacity or kind;
- (c) uses the same, or permits it to be used, in contravention of an order for discontinuing its use made under section 15, sub-section (4), or at a higher pressure than that allowed by any license in force in respect thereof;

Penalty on owner using boiler without license or certificated engineer or otherwise contrary to Act.

shall be punishable with fine which may extend to five hundred rupees and, in the case of a continuing offence, with an additional fine which may extend to one hundred rupees for every day after the first in regard to which he is convicted of having persisted in the offence.

20. Whoever removes, alters, defaces, renders invisible, or otherwise tampers with a registry number marked on a boiler shall for every such act be punishable with fine which may extend to five hundred rupees.

Penalty for tampering with registry number of a boiler.

21. Whoever fraudulently marks upon a boiler a registry number which has not been duly allotted to it under this Act shall be punishable with imprisonment which may extend to two years, or with fine, or with both.

Penalty for fraudulently marking a registry number on a boiler.

22. Whoever, being required to deposit his certificate in accordance with the provisions of any rule made under section 25, sub-section (1), clause (c), refuses or omits to do so, shall be punishable with fine which may extend to five hundred rupees.

Penalty for refusing or omitting to deposit engineer's certificate in accordance with rules under section 25 (1) (e).

23. No

14 *Central Provinces Boiler Inspection. [ACT II
(Penalties and Procedure.—Sections 23-24. Rules.
—Section 25.)]*

Cognizance
of offences
against Act.

Charges
within what
period to be
brought.

Power to
make rules.

23. No Court inferior to that of a Magistrate of the first class shall have jurisdiction to try any person charged with an offence against this Act.

24. No charge shall be brought against any person of any offence punishable under this Act except within six months after the commission of the offence, nor shall any such charge be brought except with the sanction or under the direction of the District Magistrate.

Rules.

25. (1) The Chief Commissioner may make rules consistent with this Act for all or any of the following purposes, namely :—

- (a) for settling the duties and emoluments of inspectors appointed under this Act, and regulating the control to be exercised by District Magistrates over such inspectors ;
- (b) for fixing the fees to be levied for the inspection of boilers under sections 6 and 15 at such rates not exceeding those specified in Schedule B as the Chief Commissioner may think fit ;
- (c) prescribing the procedure to be followed in the hearing of appeals under section 10, the emoluments or fees to be received by assessors appointed under that section, and regulating the holding of inquiries under section 12 ;
- (d) providing for the grant of engineers' certificates of competency, and in particular prescribing—
 - (i) the cases in which certificates may be granted without, and those in which they may be granted only after, examination,
 - (ii) the duties and emoluments of examiners, and the conduct of examinations,
 - (iii) the

(Rules.—Section 25.)

- (iii) the qualifications to be required of, and the fees to be paid by, candidates for examination, and applicants for certificates without examination, respectively,
 - (iv) the different classes of certificates which may be granted, and the nature of the boilers which each such class of certificate shall cover,
 - (v) the form of certificates and the authority by which they may be granted, and
 - (vi) the mode in which a record of certificates granted shall be kept and the cases in which, and the fees on payment of which, duplicate certificates may be granted;
- (e) providing for the cancellation or suspension of engineers' certificates of competency, and in particular for—
- (i) the procedure to be followed in inquiries into allegations of incompetence, drunkenness, misconduct or negligence on the part of holders of such certificates, and
 - (ii) the deposit of such certificates by the holders of the same, when so required, pending the result of such inquiries and the action to be taken on their failure to comply with such requisitions; and
- (f) generally for carrying out the purposes of this Act.
- (2) The power to make rules under this Act is subject to the condition of the rules being made after previous publication.
- (3) All rules framed under this Act shall be published in the local official Gazette, and shall thereupon have effect as if enacted in this Act.

Miscellaneous.

16 . Central Provinces Boiler Inspection. [ACT II
 (Miscellaneous.—Sections 26-27. Schedule A.—Form
 of Inspector's License.)

Miscellaneous.

Disposal of
 sums levied
 under Act.

Certain pro-
 visions of
 Act applic-
 able to prime-
 movers.

26. All fees, costs and penalties levied under this Act shall be disposed of in such manner as the Chief Commissioner may direct.

27. (1) The Chief Commissioner may, by notification in the local official Gazette, apply so much of this Act as relates to the taking out and grant of licenses for, and the inspection of, boilers to prime-movers generally, or to prime-movers of any particular class in any place or district in which this Act is for the time being in force.

(2) During any such period as any notification under sub-section (1) is in force in any place or district, the provisions of this Act thereby made applicable to prime-movers shall be read and understood in such place or district as if the word "boiler" included the words "prime-mover" wherever used therein.

SCHEDULE A.

(See section 8.)

FORM OF INSPECTOR'S LICENSE.

Name of owner.	Registry No. and description of boiler, and age.	Power.	When and where made.	When and where last repaired.	Time for which this certificate is to be in force.	Maximum pressure at which the boiler may be worked.	REMARKS.

I, the undersigned, certify that I have examined the above-named boiler, and to the best of my judgment the boiler, as shown in the above statement, and all its necessary appurtenances are in good condition and the Registry number is properly marked thereon.

A. B.,
 Inspector.

SCHEDULE B.

[See section 25 (1) (b).]

MAXIMUM RATES OF FEES LEVIABLE FOR INSPECTION OF BOILERS
UNDER SECTIONS 6 AND 15.

	Rs.
(1) For the inspection of each boiler not exceeding 10 horse-power nominal	15
(2) Ditto ditto exceeding 10, but not exceeding 20 ditto	20
(3) Ditto ditto exceeding 20, but not exceeding 30 ditto	30
(4) Ditto ditto exceeding 30, but not exceeding 50 ditto	40
(5) Ditto ditto exceeding 50 ditto	50

THE PROVINCIAL INSOLVENCY ACT, 1907 (III OF 1907).

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THE SCHEDULE.**ENACTMENTS REPEALED.**

ACT NO. III OF 1907.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 15th March 1907.)

An Act to consolidate and amend the Law relating to Insolvency in British India, as administered by Courts having jurisdiction outside the Presidency-towns and the Town of Rangoon.

WHEREAS it is expedient to consolidate and amend the law relating to insolvency in British India as administered by Courts having jurisdiction outside the Presidency-towns and the Town of Rangoon ; It is hereby enacted as follows :—

*Short title,
extent and
commencement.*

1. (1) This Act may be called the Provincial Insolvency Act, 1907.

(2) It extends to the whole of British India, except the Scheduled Districts : and

(3) It shall come into force on the first day of January 1908.

Definitions.

2. (1) In this Act, unless there is anything repugnant in the subject or context,—

(a) "available act of insolvency" means any act of insolvency available for an insolvency petition at the date of the presentation of the petition on which the order of adjudication is made :

(b) "creditor" includes a decree-holder, "debt" includes a judgment-debt, and "debtor" includes a judgment-debtor ;

(c) "District Court" means the principal Civil Court of original jurisdiction in any area outside the local limits for the time being of the Presidency-towns and of the Town of Rangoon :

(d) "prescribed"

(Sections 3-4.)

- (d) "prescribed" means prescribed by rules made under this Act:
- (e) "property" includes any property over which or the profits of which any person has a disposing power which he may exercise for his own benefit:
- (f) "secured creditor" includes a landlord who under any enactment for the time being in force has a charge on land for the rent of that land: and
- (g) "the Court" means the Court exercising jurisdiction under this Act.

(2) Save as herein otherwise provided, all words and expressions defined in the Code of Civil Procedure shall have the same meanings as those respectively assigned to them in the said Code.

3. (1) The District Courts shall be the Courts having jurisdiction under this Act:

Insolvency jurisdiction.

Provided that the Local Government may, with the previous sanction of the Governor General in Council, by notification in the local official Gazette, invest any Court subordinate to a District Court with jurisdiction in any class of cases, and any Court so invested shall within the local limits of its jurisdiction have concurrent jurisdiction with the District Court under this Act.

(2) For the purposes of this Act, a Court of Small Causes shall be deemed to be subordinate to the District Court.

4. A debtor commits an act of insolvency in each of the following cases, namely:—

Acts of insolvency.

- (a) if, in British India or elsewhere, he makes a transfer of his property to a third person for the benefit of his creditors generally;
- (b) if, in British India or elsewhere, he makes a transfer of his property or of any part thereof

(Section 5.)

thereof with intent to defeat or delay his creditors;

- (c) if, in British India or elsewhere, he makes any transfer of his property or of any part thereof, or of any interest therein, which would, under this or any other enactment for the time being in force, be void as a fraudulent preference if he were adjudged an insolvent;
- (d) if, with intent to defeat or delay his creditors,—
 - (i) he departs or remains out of British India,
 - (ii) he departs from his dwelling-house or usual place of business or otherwise absents himself,
 - (iii) he secludes himself so as to deprive his creditors of the means of communicating with him;
- (e) if any of his property has been sold in execution of the decree of any Court for the payment of money;
- (f) if he petitions to be adjudged an insolvent under the provisions of this Act;
- (g) if he gives notice to any of his creditors that he has suspended, or that he is about to suspend, payment of his debts;
- (h) if he is imprisoned in execution of the decree of any Court for the payment of money.

Explanation.—For the purposes of this section the act of an agent may be the act of the principal.

Petition and adjudication.

5. Subject to the conditions specified in this Act, if a debtor commits an act of insolvency, an insolvency petition may be presented either by a creditor or by the debtor, and the Court may on such petition make an order (hereinafter called an order of adjudication) adjudging him an insolvent.

Explanation.

(Section 6.)

Explanation.—The presentation of a petition by the debtor shall be deemed an act of insolvency within the meaning of this section, and on such petition the Court may make an order of adjudication.

6. (1) Every insolvency petition shall be in writing, and shall be signed and verified in the manner prescribed by the Code of Civil Procedure for signing and verifying plaints, and the procedure laid down by the said Code with respect to the admission of plaints shall, so far as it is applicable, be followed in the case of such petitions.

(2) Every insolvency petition shall be presented to a Court having jurisdiction under this Act in any local area in which the debtor ordinarily resides or carries on business or personally works for gain, or, if he has been arrested or imprisoned, where he is in custody.

(3) The debtor shall not be entitled to present an insolvency petition unless—

- (a) his debts amount to five hundred rupees; or
- (b) he has been arrested or imprisoned in execution of the decree of any Court for the payment of money; or

(c) an order of attachment in execution of such a decree has been made, and is subsisting, against his property.

(4) A creditor shall not be entitled to present an insolvency petition against a debtor unless—

- (a) the debt owing by the debtor to the creditor, or, if two or more creditors join in the petition, the aggregate amount of debts owing to such creditors, amounts to five hundred rupees, and

(b) the debt is a liquidated sum payable either immediately or at some certain future time, and

(c) the

Presentation
and admis-
sion of
petition.

(Sections 7-11.)

(c) the act of insolvency on which the petition is grounded has occurred within three months before the presentation of the petition.

(5) If the petitioning creditor is a secured creditor, he shall in his petition either state that he is willing to relinquish his security for the benefit of the creditors in the event of the debtor being adjudged insolvent or give an estimate of the value of the security. In the latter case he may be admitted as a petitioning creditor to the extent of the balance of the debt due to him after deducting the value so estimated in the same way as if he were an unsecured creditor.

(6) No insolvency petition shall be presented against any corporation or against any association or company registered under any enactment for the time being in force.

Withdrawal of petitions. 7. No petition, whether presented by a debtor or by a creditor, shall be withdrawn without the leave of the Court.

Consolidation of petitions. 8. Where two or more insolvency petitions are presented against the same debtor or where separate petitions are presented against joint debtors, the Court may consolidate the proceedings or any of them, on such terms as the Court thinks fit.

Power to change carriage of proceedings 9. Where the petitioner does not proceed with due diligence on his petition, the Court may substitute as petitioner any other creditor to whom the debtor may be indebted in the amount required by this Act in the case of a petitioning creditor.

Continuance of proceedings on death of debtor. 10. If a debtor by or against whom an insolvency petition has been presented dies, the proceedings in the matter shall, unless the Court otherwise orders, be continued as if he were alive.

Contents of petition. 11. (1) Every insolvency petition presented by a debtor shall contain the following particulars, namely:—

(a) a statement that the debtor is unable to pay his debts;

(b) the

(Section 11.)

- (b) the place where he ordinarily resides or carries on business or personally works for gain, or, if he has been arrested or imprisoned, the place where he is in custody;
- (c) the Court (if any) by whose order he has been arrested or imprisoned, or by which an order has been made for the attachment of his property; together with particulars of the decree in respect of which any such order has been made;
- (d). the amount and particulars of all pecuniary claims against him, together with the names and residences of his creditors so far as they are known to, or can by the exercise of reasonable care and diligence be ascertained by, him;
- (e) the amount and particulars of all his property, together with—
 - (i) a specification of the value of all such property not consisting of money;
 - (ii) the place or places at which any such property is to be found; and
 - (iii) a declaration of his willingness to place at the disposal of the Court all such property save in so far as it includes such particulars (not being his books of account) as are exempted by the Code of Civil Procedure or by any other enactment for the time being in force from liability to attachment and sale in execution of a decree.

(2) Every insolvency petition presented by a creditor or creditors shall set forth the particulars regarding the debtor specified in clause (b) of subsection (1), and shall also specify—

- (a) the act of insolvency committed by such debtor together with the date of its commission; and
- (b) the

(Sections 12-13.)

(b) the amount and particulars of his or their pecuniary claim or claims against such debtor.

Procedure on admission of petition. 12. (1) Where an insolvency petition is admitted, the Court shall make an order fixing a date for hearing the petition.

(2) Notice of the order under sub-section (1) shall be given to creditors by publication in the local official Gazette, and in such other manner as may be prescribed.

(3) Where the debtor is not the petitioner, notice of the order under sub-section (1) shall be served on him in the manner provided for the service of summons.

Interim proceedings against debtor. 13. At the time of making the order referred to in section 12, sub-section (1), or at any subsequent time before adjudication, the Court may, either of its own motion or on the application of any creditor, make one or more of the following orders, namely :—

(1) order the debtor to give reasonable security for his appearance until final orders are made upon the petition, and direct that, in default of giving such security, he shall be detained in the civil prison,

(2) order the appointment of an interim receiver of the property of the debtor or of any part thereof,

(3) order the attachment by actual seizure of the whole or any part of the property in the possession or under the control of the debtor, other than such particulars (not being his books of account) as are exempted by the Code of Civil Procedure or by any other enactment for the time being in force from liability to attachment and sale in execution of a decree,

(4) order a warrant to issue with or without bail for the arrest of the debtor and direct either

(Section 14.)

either that he be detained in the civil prison until the disposal of the petition, or that he be released on such terms as to security as may be reasonable and necessary :

Provided that an order under clause (2), clause (3) or clause (4) shall not be made unless the Court is satisfied that the debtor, with intent to defeat or delay his creditors or to avoid any process of the Court,—

- (i) has absconded or has departed from the local limits of the jurisdiction of the Court or is about to abscond or to depart from such limits, or is remaining outside them, or
- (ii) has failed to disclose or has concealed, destroyed, transferred or removed from such limits, or is about to conceal, destroy, transfer or remove from such limits, any documents likely to be of use to his creditors in the course of the hearing, or any part of his property other than such particulars as aforesaid.

14. (1) On the day fixed for the hearing of the petition, or on any subsequent day to which the hearing may be adjourned, the Court shall require proof—

Procedure at hearing.

- (a) that the creditor or the debtor, as the case may be, is entitled to present the petition,
- (b) that the debtor, if he does not appear on a petition presented by a creditor, has been served with notice of the order referred to in section 12, sub-section (1), and
- (c) that the debtor has committed the act of insolvency alleged against him.

(2) The Court shall also examine the debtor, if he is present, as to his conduct, dealings and property in the presence of such creditors as appear at the hearing,

· (*Sections 15-16.*)

ing, and the creditors shall have the right to question the debtor thereon.

(3) The Court shall, if sufficient cause is shown, grant time to the debtor or to any creditor to produce any evidence which appears to it to be necessary for the proper disposal of the petition.

(4) A memorandum of the substance of the examination of the debtor and of any other oral evidence given shall be made by the Judge and shall form part of the record of the case.

Dismissal of petition.

15. (1) Where the Court is not satisfied with the proof of the right to present the petition or of the service of notice on the debtor as required by section 12, sub-section (3), or of the alleged act of insolvency, or is satisfied by the debtor that he is able to pay his debts or that for any other sufficient cause no order ought to be made, the Court shall dismiss the petition.

(2) Where a petition presented by a creditor is dismissed under sub-section (1) and the Court is satisfied that the petition was frivolous or vexatious, the Court may, on the application of the debtor, award against such creditor such amount, not exceeding one thousand rupees, as it deems a reasonable compensation to the debtor for the expense or injury occasioned to him by the petition and the proceedings thereon, and such amount may be realised as if it were a fine.

(3) An award under this section shall bar any suit for compensation in respect of such petition and the proceedings thereon.

Order of adjudication.

16. (1) Where a petition is not dismissed under the preceding section and the debtor is unable to propose any composition or scheme which shall be accepted by the creditors and approved by the Court in the manner hereinafter provided, the Court shall make an order of adjudication.

(2) On

(Section 16.)

(2) On the making of an order of adjudication—

(a) the whole of the property of the insolvent, save in so far as it includes such particulars (not being his books of account) as are exempted by the Code of Civil Procedure or by any other enactment for the time being in force from liability to attachment and sale in execution of a decree, shall vest in the Court or in a receiver as hereinafter provided and shall become divisible among the creditors, and

(b) the insolvent, if in prison for debt, shall be released;

and thereafter, except as provided by this Act, no creditor to whom the insolvent is indebted in respect of any debt provable under this Act shall during the pendency of the insolvency proceedings have any remedy against the property or person of the insolvent in respect of the debt or commence any suit or other legal proceeding, except with the leave of the Court and on such terms as the Court may impose.

(3) For the purposes of sub-section (2), clause (a), all goods being, at the date of the presentation of the petition on which the order is made, in the possession, order or disposition of the insolvent in his trade or business, by the consent and permission of the true owner, under such circumstances that he is the reputed owner thereof, shall be deemed to be the property of the insolvent.

(4) All such property as may be acquired by or devolve on the insolvent after the date of an order of adjudication and before his discharge shall forthwith vest in the Court or receiver and become divisible among the creditors in accordance with the provisions of sub-section (2), clause (a).

(5) Nothing in this section shall affect the power of any secured creditor to realise or otherwise deal with his security in the same manner as he would have

(Sections 17-18.)

have been entitled to realise or deal with it if this section had not been passed.

(6) An order of adjudication shall relate back to, and take effect from, the date of the presentation of the petition on which it is made.

(7) Notice of an order of adjudication stating the name, address and description of the insolvent, the date of the adjudication and the Court by which the adjudication is made, shall be published in the local official Gazette and in such other manner as may be prescribed.

Power to
cancel one of
concurrent
orders of
adjudication.

17. If in any case in which an order of adjudication has been made it shall be proved to the Court by which such order was made that insolvency proceedings are pending in another Court against the same debtor and that the property of the debtor can be more conveniently distributed by such other Court, the Court may rescind the order of adjudication and stay all proceedings or dismiss the petition on such terms (if any) as the Court thinks fit.

Appointment
of receiver.

18. (1) The Court may, at the time of the order of adjudication, or at any time afterwards, appoint a receiver for the property of the insolvent, and such property shall thereupon vest in such receiver.

(2) Subject to such conditions as may be prescribed, the Court may—

(a) require the receiver to give such security as it thinks fit duly to account for what he shall receive in respect of the property ; and

(b) by general or special order, fix the amount to be paid as remuneration for the services of the receiver out of the assets of the insolvent.

(3) Where the Court appoints a receiver, it may remove the person in whose possession or custody any such property as aforesaid is, from the possession or custody thereof:

Provided

(Sections 19-20.)

Provided that nothing in this section shall be deemed to authorise the Court to remove from the possession or custody of property any person whom the insolvent has not a present right so to remove.

(4) Where a receiver appointed under this section—

- (a) fails to submit his accounts at such periods and in such form as the Court directs, or
- (b) fails to pay the balance due from him thereon as the Court directs, or
- (c) occasions loss to the property by his wilful default or gross negligence,

the Court may direct his property to be attached and sold, and may apply the proceeds to make good any balance found to be due from him or any loss so occasioned by him.

19. (1) The Local Government may appoint such persons as it thinks fit (to be called "Official Receivers") to be receivers under this Act within such local limits as it may prescribe.

(2) Where any Official Receiver has been so appointed for the local limits of the jurisdiction of any Court having jurisdiction under this Act, he shall be the receiver for the purpose of every order appointing a receiver issued by any such Court, unless the Court for special reasons otherwise directs.

(3) Any sum payable under section 18, sub-section (2), clause (b), in respect of the services of an Official Receiver shall be credited to such fund as the Local Government may direct.

(4) Every Official Receiver shall receive such remuneration out of the said fund or otherwise as the Local Government may fix in this behalf, and no remuneration whatever beyond that so fixed shall be received by the Official Receiver as such.

20. Subject to the provisions of this Act, the Duties and receiver shall, with all convenient speed, realise the powers of receiver.

property

(Section 21.)

property of the debtor and distribute dividends among the creditors entitled thereto, and for that purpose may—

(a) sell all or any part of the property of the insolvent;

(b) give receipts for any money received by him; and may, by leave of the Court, do all or any of the following things, namely:—

(c) carry on the business of the insolvent so far as may be necessary for the beneficial winding up of the same;

(d) institute, defend or continue any suit or other legal proceeding relating to the property of the insolvent;

(e) employ a pleader or other agent to take any proceedings or do any business which may be sanctioned by the Court;

(f) accept as the consideration for the sale of any property of the insolvent a sum of money payable at a future time subject to such stipulations as to security and otherwise as the Court thinks fit;

(g) mortgage or pledge any part of the property of the insolvent for the purpose of raising money for the payment of his debts;

(h) refer any dispute to arbitration, and compromise all debts, claims and liabilities, on such terms as may be agreed upon;

(i) divide in its existing form amongst the creditors, according to its estimated value, any property which, from its peculiar nature or other special circumstances, cannot readily or advantageously be sold.

Special provisions in regard to immoveable property.

21. (1) In any local area in which a declaration has been made under section 320 of the Code of Civil Procedure and is in force, no sale of immoveable property paying revenue to the Government or held or let for agricultural purposes shall be made by the receiver;

XIV of 1882.

(Sections 22-24.)

receiver; but, after the other property of the insolvent has been realised, the Court shall ascertain—

(a) the amount required to satisfy the debts proved under this Act after deducting the monies already received,

(b) the immoveable property of the insolvent remaining unsold, and

(c) the incumbrances (if any) existing thereon,

and shall forward a statement to the Collector containing the particulars aforesaid; and thereupon the Collector shall proceed to raise the amount so required by the exercise of such of the powers conferred on him by sections 322 to 325 of the said Code as he thinks fit, and subject to the provisions of those sections so far as they are applicable, and shall hold at the disposal of the Court all sums that may come to his hands by the exercise of such powers.

(2) Nothing in this Act shall be deemed to affect any provisions of any enactment for the time being in force prohibiting or restricting the execution of decrees or orders against immoveable property; and any such provisions shall be deemed to apply to the enforcement of an order of adjudication made under this Act as if it were such a decree or order.

22. If the insolvent or any of the creditors or any other person is aggrieved by any act or decision of the receiver, he may apply to the Court, and the Court may confirm, reverse or modify the act or decision complained of and make such order as it thinks just:

Provided that no application under this section shall be entertained after the expiration of twenty-one days from the date of the order or decision complained of.

23. Where no receiver is appointed, the Court shall have all the rights of, and may exercise all the powers conferred on, a receiver under this Act.

24. (1) All persons alleging themselves to be creditors of the insolvent in respect of debts provable under

Appeal to
Court
against
receiver.

Powers of
Court if no
receiver ap-
pointed.

Schedule of
creditors.

(Sections 25-26.)

under this Act shall tender proof of their respective debts by producing evidence of the amount and particulars thereof, and the Court shall, by order, determine the persons who have proved themselves to be creditors of the insolvent in respect of such debts, and the amount of such debts, respectively, and shall frame a schedule of such persons and debts:

Provided that, if, in the opinion of the Court, the value of any debt is incapable of being fairly estimated, the Court may make an order to that effect, and thereupon the debt shall not be included in the schedule.

(2) A copy of every such schedule shall be posted in the Court-house.

(3) Any creditor of the insolvent may, at any time before the discharge of the insolvent, tender proof of his debt and apply to the Court for an order directing his name to be entered in the schedule as a creditor in respect of any debt provable under this Act, and not entered in the schedule, and the Court, after causing notice to be served on the insolvent and the other creditors, and hearing their objections (if any), shall comply with or reject the application.

Mode of proof.

25. (1) A debt may be proved under this Act by delivering, or sending by post in a registered letter, to the Court an affidavit verifying the debt.

(2) The affidavit shall contain or refer to a statement of account showing the particulars of the debt, and shall specify the vouchers (if any) by which the same can be substantiated. The Court may at any time call for the production of the vouchers.

Disallowance and reduction of entries in schedule.

26. (1) Where the receiver thinks that a debt has been improperly entered in the schedule, the Court may, on the application of the receiver and after notice to the creditor, and such inquiry (if any) as the Court thinks necessary, expunge such entry or reduce the amount of the debt.

(2) The Court may also, after like inquiry, expunge an

(Section 27.)

an entry or reduce the amount of a debt upon the application of a creditor where no receiver has been appointed, or where the receiver declines to interfere in the matter, or, in the case of a composition or scheme, upon the application of the debtor.

27. (1) Where a debtor, whether before or after the making of an order of adjudication, submits a proposal for a composition in satisfaction of his debts or a proposal for a scheme of arrangement of his affairs, the Court shall fix a date for the consideration of the proposal and shall issue a notice to all creditors by publication in the local official Gazette and in such other manner as may be prescribed.

Compositions
and schemes
of arrange-
ment.

(2) If on the consideration of the proposal a majority in number and three-fourths in value of all the creditors whose debts are proved and who are present in person or by pleader, resolve to accept the proposal, the same shall be deemed to be duly accepted by the creditors.

(3) The debtor may at the meeting amend the terms of his proposal if the amendment is, in the opinion of the Court, calculated to benefit the general body of creditors.

(4) Where the Court is of opinion, after hearing the report of the receiver, if a receiver has been appointed, and after considering any objections which may be made by or on behalf of any creditor, that the terms of the proposal are not reasonable or are not calculated to benefit the general body of creditors, the Court shall refuse to approve the proposal.

(5) If any facts are proved on proof of which the Court would be required either to refuse, suspend or attach conditions to the debtor's discharge, the Court shall refuse to approve the proposal unless it provides reasonable security for payment of not less than six annas in the rupee on all the unsecured debts provable against the debtor's estate.

(6) In

(Section 28.)

(6) In any other case the Court may either approve or refuse to approve the proposal.

(7) If the Court approves the proposal, the terms shall be embodied in an order of the Court and the Court shall frame a schedule in accordance with the provisions of section 24, the order of adjudication (if any) shall be annulled, and the composition or scheme shall be binding on all the creditors entered in the said schedule so far as relates to any debts entered therein.

(8) If default is made in the payment of any instalment due in pursuance of the composition or scheme, or if it appears to the Court that the composition or scheme cannot proceed without injustice or undue delay or that the approval of the Court was obtained by fraud, the Court may, if it thinks fit, adjudge the debtor insolvent and annul the composition or scheme but without prejudice to the validity of any transfer or payment duly made or of anything duly done under or in pursuance of the composition or scheme. When a debtor is adjudged insolvent under this sub-section, all debts provable in other respects which have been contracted before the date of such adjudication shall be provable in the insolvency.

(9) No composition or scheme shall be approved by the Court which does not provide for the payment in priority to other debts of all debts directed to be so paid in the distribution of the property of an insolvent.

Debts prov-
able under
this Act.

28. (1) Save as provided by sub-section (2), all debts and liabilities, present or future, certain or contingent, to which the debtor is subject when he is adjudged an insolvent or to which he may become subject before his discharge by reason of any obligation incurred before the date of such adjudication, shall be deemed to be debts provable under this Act.

(2) Demands in the nature of unliquidated damages arising otherwise than by reason of a contract or

(Sections 29-31.)

or breach of trust shall not be provable under this Act.

29. A creditor may prove for a debt not payable when the debtor is adjudged an insolvent as if it were payable presently, and may receive dividends equally with the other creditors, deducting therefrom only a rebate of interest at the rate of six per centum per annum computed from the declaration of a dividend to the time when the debt would have become payable, according to the terms on which it was contracted.

Debt payable
at a future
time.

30. Where there have been mutual dealings between an insolvent and a creditor proving or claiming to prove a debt under this Act, an account shall be taken of what is due from the one party to the other in respect of such mutual dealings, and the sum due from the one party shall be set off against any sum due from the other party, and the balance of the account, and no more, shall be claimed or paid on either side respectively.

Mutual deal-
ings and
set-off.

31. (1) Where a secured creditor realises his security, he may prove for the balance due to him, after deducting the net amount realised.

Secured
creditors.

(2) Where a secured creditor relinquishes his security for the general benefit of the creditors, he may prove for his whole debt.

(3) Where a secured creditor does not either realise or relinquish his security, he shall, before being entitled to have his debt entered in the schedule, state in his proof the particulars of his security, and the value at which he assesses it, and shall be entitled to receive a dividend only in respect of the balance due to him after deducting the value so assessed.

(4) Where a security is so valued, the Court may at any time before realisation redeem it on payment to the creditor of the assessed value.

(5) Where a creditor, after having valued his security, subsequently realises it, the net amount realised shall be substituted for the amount of any valuation

(Sections 32-33.)

valuation previously made by the creditor and shall be treated in all respects as an amended valuation made by the creditor.

(6) Where a secured creditor does not comply with the provisions of this section, he shall be excluded from all share in any dividend.

Interest.

32. (1) On any debt or sum certain whereon interest is not reserved or agreed for, and which is overdue when the debtor is adjudged an insolvent, and which is provable under this Act, the creditor may prove for interest at a rate not exceeding six per centum per annum,—

(a) if the debt or sum is payable by virtue of a written instrument at a certain time, from the time when such debt or sum was payable to the date of such adjudication; or,

(b) if the debt or sum is payable otherwise, from the time when a demand in writing has been made giving the debtor notice that interest will be claimed from the date of the demand until the time of payment to the date of such adjudication.

(2) Where a debt which has been proved under this Act includes interest or any pecuniary consideration in lieu of interest, the interest or consideration shall, for the purposes of dividend, be calculated at a rate not exceeding six per centum per annum, without prejudice to the right of a creditor to receive out of the debtor's estate any higher rate of interest to which he may be entitled after all the debts proved have been paid in full.

Priority of debts.

33. (1) In the distribution of the property of the insolvent there shall be paid in priority to all other debts—

(a) all debts due to the Crown or to any local authority; and

(b) all

(Section 34.)

(b) all salary or wages, not exceeding twenty rupees in all, of any clerk, servant or labourer in respect of services rendered to the insolvent during four months before the date of the presentation of the petition.

(2) The debts specified in sub-section (1) shall rank equally between themselves, and shall be paid in full, unless the property of the insolvent is insufficient to meet them, in which case they shall abate in equal proportions between themselves.

(3) Subject to the retention of such sums as may be necessary for the expenses of administration or otherwise, the debts specified in sub-section (1) shall be discharged forthwith in so far as the property of the insolvent is sufficient to meet them.

(4) In the case of partners the partnership property shall be applicable in the first instance in payment of the partnership debts, and the separate property of each partner shall be applicable in the first instance in payment of his separate debts. Where there is a surplus of the separate property of the partners, it shall be dealt with as part of the partnership property; and, where there is a surplus of the partnership property, it shall be dealt with as part of the respective separate property in proportion to the rights and interests of each partner in the partnership property.

(5) Subject to the provisions of this Act, all debts entered in the schedule shall be paid rateably according to the amounts of such debts respectively and without any preference.

(6) Where there is any surplus after payment of the foregoing debts, it shall be applied in payment of interest from the date on which the debtor is adjudged an insolvent at the rate of six per centum per annum on all debts entered in the schedule.

34. (1) Where execution of a decree has issued against the property of a debtor, no person shall be entitled Restriction
of rights of
creditor

(Sections 35-37.)

under execu- entitled to the benefit of the execution against the receiver except in respect of assets realised in the course of the execution by sale or otherwise before the date of the order of adjudication.

(2) Nothing in this section shall affect the rights of a secured creditor in respect of the property against which the decree is executed.

(3) A person who in good faith purchases the property of a debtor under a sale in execution shall in all cases acquire a good title to it against the receiver.

**Duties of Court exe-
cuting decree
as to prop-
erty taken
in execution.**

35. Where execution of a decree has issued against any property of a debtor which is saleable in execution and before the sale thereof notice is given to the Court executing the decree that an order of adjudication has been made against the debtor, the Court shall, on application, direct the property, if in the possession of the Court, to be delivered to the receiver, but the costs of the execution shall be a first charge on the property so delivered, and the receiver may sell the property or an adequate part thereof for the purpose of satisfying the charge.

**Avoidance of
voluntary
transfer.**

36. Any transfer of property not being a transfer made before and in consideration of marriage or made in favour of a purchaser or incumbrancer in good faith and for valuable consideration shall, if the transferor is adjudged insolvent within two years after the date of the transfer, be void against the receiver and may be annulled by the Court.

**Avoidance of
preference in
certain cases.**

37. (1) Every transfer of property or of any interest therein, every payment made, every obligation incurred, and every judicial proceeding taken or suffered by any person unable to pay his debts as they become due from his own money in favour of any creditor, with a view of giving that creditor a preference over the other creditors, shall, if such person is adjudged insolvent on a petition presented within three months after the date thereof, be deemed

fraudulent

(Sections 38-39.)

fraudulent and void as against the receiver and shall be annulled by the Court.

(2) This section shall not affect the rights of any person who in good faith and for valuable consideration has acquired a title through or under a creditor of the insolvent.

38. Subject to the foregoing provisions of this Act with respect to the effect of insolvency on an execution and with respect to the avoidance of certain transfers and preferences, nothing in this Act shall invalidate in the case of an insolvency—

Protection of
bond fide
transactions.

(a) any payment by the insolvent to any of his creditors;

(b) any payment or delivery to the insolvent;

(c) any transfer by the insolvent for valuable consideration; or

(d) any contract or dealing by or with the insolvent for valuable consideration:

Provided that any such transaction takes place before the date of the order of adjudication.

39. (1) In the calculation of dividends, the receiver shall retain in his hands sufficient assets to meet—

(a) debts provable under this Act and appearing, from the insolvent's statements or otherwise, to be due to persons resident in places so distant that in the ordinary course of communication they have not had sufficient time to tender their proofs;

(b) debts provable under this Act, the subject of claims not yet determined;

(c) disputed proofs or claims; and

(d) the expenses necessary for the administration of the estate or otherwise.

(2) Subject to the provisions of sub-section (1), all money in hand shall be distributed as dividends.

(3) Any

(Section 40.)

(3) Any creditor who has not proved his debt before the declaration of any dividend or dividends, shall be entitled to be paid, out of any money for the time being in the hands of the receiver, any dividend or dividends which he may have failed to receive before that money is applied to the payment of any future dividend or dividends; but he shall not be entitled to disturb the distribution of any dividend declared before his debt was proved by reason that he has not participated therein.

(4) When the receiver has realised all the property of the insolvent or so much thereof as can in the opinion of the Court be realised without needlessly protracting the receivership, he shall declare a final dividend; but before so doing he shall give notice in manner prescribed to the persons whose claims to be creditors have been notified but not proved, that if they do not prove their claims within the time limited by the notice he will proceed to make a final dividend without regard to their claims. After the expiration of the time so limited, or if the Court on application by any such claimant grants him further time for establishing his claim then on the expiration of such further time, the property of the insolvent shall be divided among the creditors entered in the schedule without regard to the claims of any other persons.

(5) No suit for a dividend shall lie against the receiver; but, where the receiver refuses to pay any dividend, the Court may, on the application of any creditor who is entered in the schedule, order him to pay it, and also to pay out of his own money interest thereon for the time that it is withheld, and the costs of the application.

40. (1) The Court may appoint the insolvent himself to superintend the management of the property of the insolvent or of any part thereof, or to carry on the trade (if any) of the insolvent for the benefit of the creditors, and in any other respect to aid

in

(Sections 41-43.)

in administering the property in such manner and on such terms as the Court may direct.

(2) The Court may, from time to time, make such allowance as it may think just to the insolvent out of his property for the support of himself and his family, or in consideration of his services if he is engaged in winding up his estate ; but any such allowance may, at any time, be varied or determined by the Court.

41. The insolvent shall be entitled to any surplus remaining after payment in full of his creditors, with interest as provided by this Act, and of the expenses of the proceedings taken thereunder.

Right of insolvent to surplus.

42. (1) Where, in the opinion of the Court, a debtor ought not to have been adjudged insolvent, or where it is proved to the satisfaction of the Court that the debts of the insolvent have been paid in full, or where a composition or scheme has been approved by the Court under section 27, the Court shall, on the application of the debtor or of any other person interested, by order in writing, annul the adjudication.

Power to annul adjudication of insolvency.

(2) Where an adjudication is annulled under subsection (1), all sales and dispositions of property and payments duly made, and all acts theretofore done, by the Court or receiver shall be valid ; but, subject as aforesaid, the property of the debtor who was adjudged insolvent shall vest in such person as the Court may appoint, or, in default of any such appointment, shall revert to the debtor to the extent of his right or interest therein on such conditions (if any) as the Court may, by order in writing, declare.

(3) Notice of every order annulling an adjudication shall be published in the local official Gazette and in such other manner as may be prescribed.

43. (1) Every debtor, whether before or after the making of an order of adjudication, shall produce

Duties of debtors.

(Section 44.)

all books of account, give such inventories of his property, and such lists of his creditors and debtors and of the debts due to and from them respectively, submit to such examination in respect of his property or his creditors, attend at such times before the Court or receiver, execute such instruments, and generally give such aid in the realisation of his property and the distribution of the proceeds amongst his creditors, as may be required by the Court or receiver, or as may be prescribed.

(2) If a debtor, whether before or after the making of an order of adjudication,—

- (a) wilfully makes false entries in the inventories or lists referred to in sub-section (1), or
- (b) fraudulently or vexatiously conceals, destroys, transfers, removes or refuses to produce any property or books of account, or
- (c) commits any other act of bad faith in the performance of the duties imposed on him by this section,

the Court may sentence him, by order in writing, to simple imprisonment for a term which may extend to one year; and in every such case the Court shall record the facts constituting the offence with the statement (if any) made by the debtor.

Discharge.

44. (1) A debtor may, at any time after the order of adjudication, apply to the Court for an order of discharge; and the Court shall fix a day, notice whereof shall be given by publication in the local official Gazette and in such other manner as may be prescribed, for hearing such application, and any objections which may be made thereto.

(2) Subject to the provisions of this section, the Court may, after considering the objections of any creditor and, where a receiver has been appointed, the report of the receiver,—

- (a) grant or refuse an absolute order of discharge; or
- (b) suspend

(Section 44.)

- (b) suspend the operation of the order for a specified time ; or
- (c) grant an order of discharge subject to any conditions with respect to any earnings or income which may afterwards become due to the insolvent, or with respect to his after-acquired property.

(3) The Court shall refuse to grant an absolute order of discharge on proof of any of following facts, namely :—

- (a) that the insolvent's assets are not of a value equal to eight annas in the rupee on the amount of his unsecured liabilities, unless he satisfies the Court that the fact that the assets are not of a value equal to eight annas in the rupee on the amount of his unsecured liabilities has arisen from circumstances for which he cannot justly be held responsible ;
- (b) that the insolvent has omitted to keep such books of account as are usual and proper in the business carried on by him and as sufficiently disclose his business transactions and financial position within the three years immediately preceding his insolvency ;
- (c) that the insolvent has continued to trade after knowing himself to be insolvent ;
- (d) that the insolvent has contracted any debt provable under this Act without having at the time of contracting it any reasonable or probable ground of expectation (the burden of proving which shall lie on him) that he would be able to pay it ;
- (e) that the insolvent has failed to account satisfactorily for any loss of assets or for any deficiency of assets to meet his liabilities ;
- (f) that the insolvent has brought on, or contributed to, his insolvency by rash and hazardous

(Section 45.)

hazardous speculations, or by unjustifiable extravagance in living, or by gambling, or by culpable neglect of his business affairs;

- (g) that the insolvent has, within three months preceding the date of the presentation of the petition, when unable to pay his debts as they became due, given an undue preference to any of his creditors;
- (h) that the insolvent has on any previous occasion been adjudged an insolvent or made a composition or arrangement with his creditors;
- (i) that the insolvent has concealed or removed his property or any part thereof, or has been guilty of any other fraud or fraudulent breach of trust.

(4) For the purposes of this section, the report of the receiver shall be deemed to be evidence; and the Court may presume the correctness of any statement contained therein.

(5) The powers of suspending, and of attaching conditions to, an insolvent's discharge may be exercised concurrently.

Effect of order of discharge. 45. (1) An order of discharge shall not release the insolvent from—

- (a) any debt due to the Crown;
- (b) any debt or liability incurred by means of any fraud or fraudulent breach of trust to which he was a party; or
- (c) any debt or liability in respect of which he has obtained forbearance by any fraud to which he was a party.

(2) Save as otherwise provided by sub-section (1), an order of discharge shall release the insolvent from all debts entered in the schedule.

(3) An order of discharge shall not release any person who, at the date of the presentation of the petition,

(Sections 46-48.)

petition, was a partner or co-trustee with the insolvent, or was jointly bound or had made any joint contract with him or any person who was surety for him.

46. (1) Any person aggrieved by an order made in Appeals. the exercise of insolvency jurisdiction by a Court subordinate to a District Court may appeal to the District Court, and the order of the District Court upon such appeal shall be final :

Provided that the High Court, for the purpose of satisfying itself that an order made in any appeal decided by the District Court was according to law, may call for the case and pass such order with respect thereto as it thinks fit.

(2) Any person aggrieved by an order made by the District Court under section 15, 16, 24, 26, 36, 37, 42, 43, sub-section (2), or 44 otherwise than in appeal from an order made by a subordinate Court may appeal to the High Court.

(3) Any person aggrieved by any other order made by a District Court otherwise than in appeal from an order made by a subordinate Court may appeal to the High Court by leave of the District Court or of the High Court.

(4) The periods of limitation for appeals to the District Court and to the High Court under this section shall be thirty days and ninety days respectively.

47. (1) Subject to the provisions of this Act, the Court, in regard to proceedings under this Act, shall have the same powers and shall follow the same procedure as it has and follows in the exercise of original civil jurisdiction.

General
powers of
Courts.

(2) Subject as aforesaid, High Courts and District Courts, in regard to proceedings under this Act in Courts subordinate to them, shall have the same powers and shall follow the same procedure as they respectively have and follow in regard to civil suits.

48. When a petition is presented by or against a debtor, if the Court is satisfied by affidavit or otherwise Summary administration.

(Sections 49-51.)

otherwise that the property of the debtor is not likely to exceed in value five hundred rupees, the Court may make an order that the debtor's estate be administered in a summary manner, and thereupon—

- (a) the estate shall, where practicable, be distributed in a single dividend,
- (b) the provisions of this Act shall be subject to such other modifications as may be prescribed with the view of saving expense and simplifying procedure :

Provided that nothing in this section shall permit the modification of the provisions of this Act relating to the examination or discharge of the debtor.

Costs.

49. The costs of any proceeding under this Act, including the costs of maintaining a debtor in the civil prison, shall, subject to any rules made under this Act, be in the discretion of the Court in which the proceeding is had.

Courts to be auxiliary to each other.

50. All Courts having jurisdiction in insolvency and the officers of such Courts respectively shall severally act in aid of and be auxiliary to each other in all matters of insolvency, and an order of a Court seeking aid with a request to another of the said Courts shall be deemed sufficient to enable the latter Court to exercise, in regard to the matters directed by the order, such jurisdiction as either of such Courts could exercise in regard to similar matters within their respective jurisdictions.

Power to make rules.

51. (1) The High Court may, with the previous sanction, in the case of the High Court of Judicature at Fort William in Bengal, of the Governor General in Council, and, in the case of any other High Court, of the Local Government, make rules for carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide—

- (a) for the appointment and remuneration of receivers

(Sections 52-53.)

receivers (other than Official Receivers), the audit of the accounts of all receivers and the costs of such audit,

- (b) for meetings of creditors, and
- (c) for the procedure to be followed in the case of estates to be administered in a summary manner.

(3) All rules made under this section shall be published in the Gazette of India or in the local official Gazette, as the case may be, and shall, on such publication, have effect as if enacted in this Act.

52. (1) The High Court, with the like sanction, may from time to time direct that, in any matters in respect of which jurisdiction is given to the Court by this Act, the Official Receiver shall, subject to the directions of the Court, have all or any of the following powers, namely :—

Delegation
of powers to
Official
Receivers.

- (a) to hear insolvency petitions, to examine the debtor and to make orders of adjudication;
- (b) to frame schedules and to admit or reject proofs of creditors;
- (c) to grant orders of discharge;
- (d) to approve compositions or schemes of arrangement;
- (e) to make interim orders in any case of urgency;
- (f) to hear and determine any unopposed or *ex parte* application.

(2) Subject to the appeal to the Court provided for by section 22, any order made or act done by the Official Receiver in the exercise of the said powers shall be deemed the order or act of the Court.

53. (1) An undischarged insolvent obtaining credit to the extent of fifty rupees or upwards from any person without informing such person that he is an undischarged insolvent shall, on conviction by a

Undis-
charged
insolvent
obtaining
credit.

Magistrate,

(Sections 54-56.)

Magistrate, be punishable with imprisonment for a term which may extend to six months, or with fine, or with both.

(2) Where the Court has reason to believe that an undischarged insolvent has committed the offence referred to in sub-section (1), the Court, after making any preliminary inquiry that may be necessary, may send the case for trial to the nearest Magistrate of the first class, and may send the accused in custody or take sufficient security for his appearance before such Magistrate; and may bind over any person to appear and give evidence on such trial.

Power of
Local Gov-
ernment to
bar applica-
tion of
certain pro-
visions to
certain
Courts.

54. Any Local Government, with the previous sanction of the Governor General in Council, may, by notification in the local official Gazette, declare that the following provisions or any of them shall not apply to insolvency proceedings in any Court or Courts having jurisdiction under this Act in any part of the territories administered by such Local Government, namely :—

section 15, sub-sections (2) and (3),
 section 16, sub-section (3),
 sections 25 to 40 (except sub-section (1), clause (a), and sub-section (4) of section 33),
 section 44, sub-sections (3) and (4), and
 section 53.

Savings. **55.** Nothing in this Act shall—

(a) affect the Indian Insolvency Act, 1848, or section 8 of the Lower Burma Courts Act, ^{11 & 12} Viet., c. 21. 1900, or ^{VI of 1900}

(b) apply to cases to which Chapter IV of the Dekkhan Agriculturists' Relief Act, 1879, ^{XVII of 1879.} is applicable.

Repeals.

56. (1) The enactments mentioned in the Schedule are hereby repealed to the extent specified in the fourth column thereof.

(2) Where

(*Section 56. The Schedule.—Enactments repealed.*)

X of 1877. (2) Where in any enactment or instrument in force at the date of the commencement of this Act reference is made to Chapter XX (OF INSOLVENT JUDGMENT-DEBTORS) of the Code of Civil Procedure, 1877, or of the Code of Civil Procedure, 1882, or to any section of either of those Chapters, such reference shall, so far as may be practicable, be construed as applying to this Act or to the corresponding section thereof.

XIV of 1882.

THE SCHEDULE.

ENACTMENTS REPEALED.

(See section 56.)

Year.	No.	Short title.	Extent of repeal.
1872	IV	The Punjab Laws Act, 1872 .	Sections 22 to 32.
1877	XV	The Indian Limitation Act, 1877.	No. 174 of the Second Schedule.
1882	XIV	The Code of Civil Procedure .	Section 341, clause (e), and Chapter XX (sections 344 to 360A).
1888	VII	The Civil Procedure Code Amendment Act, 1888.	Section 31.

ACT NO. IV OF 1907.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 20th March, 1907.)

An Act to repeal and amend certain Enactments relating to abolished rates and cesses.

WHEREAS certain rates and cesses leviable in the territories specified in the Schedule have been abolished and it is therefore expedient to repeal or amend the enactments specified in the said Schedule; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Repealing and Amending (Rates and Cesses) Act, 1907.

Enactments in Schedule repealed or modified.

2. The enactments specified in the Schedule shall be repealed or modified to the extent and in the manner mentioned in the third column thereof.

THE SCHEDULE.

Number, year and short title.	Sections.	Extent of repeal or modification.
<i>A.—The Presidency of Madras.</i>		
Madras Act IV of 1893 (The Madras Village Cess Act, 1893).	...	The whole Act to be repealed.
Madras Act III of 1895 (The Madras Hereditary Village-offices Act, 1895).	3	For clause (7) the following to be substituted:— “(1) hereditary village offices existing in ryotwari villages or inam villages which for the purpose of village administration are grouped with ryotwari villages and belonging to the following six classes, by whatever designation they may be locally known, namely :— (i) village-munisifs, (ii) potels, monigars and ped-dakapus, (iii) karavans, (iv) nizamants, (v) vettus, lotus and fandal-gars, (vi) talayaris.

THE SCHEDULE—*contd.*

Number, year and short title.	Sections.	Extent of repeal or modification.
Madras Act III of 1895 — <i>contd.</i>	6	The Local Government shall have power to decide what officers come under any of the above classes.
	6 In sub-section (1), for the words "In any local area in which the Madras Village-cess Act, 1893, is in force" the words "In any local area in which this Act is in force" to be substituted; and for the words "to which the said Act applies" the words "of the classes defined in section 3, clause (1), of this Act" to be substituted. In sub-section (2), for the words "in any village in which the Madras Village-cess Act, 1893, is in force" the words "in any ryotwari village or in any inam village which for the purpose of village administration is grouped with a ryotwari village," to be substituted.	20 In clause (ix) the words "the Madras Village-cess Act, 1893," to be omitted.

B.—The Presidency of Bombay.

Bombay Act IV of 1881 (The Sindh Village-officers Act, 1881).	6	The whole section to be repealed.
Bombay Act II of 1888 (An Act to amend the Sindh Village-officers Act, 1881).	3	The whole section to be repealed.
Bombay Act II of 1898 (An Act to amend the Sindh Village-officers Act, 1881, as amended by Bombay Act II of 1888).	2 and 3	The whole of both sections to be repealed.

C.—The Lieutenant-Governorship of Bengal.

Bengal Act VIII of 1862 (The Bengal Zamindari Dāk Act, 1862).	...	The whole Act to be repealed.
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54 Rep. and Amending (Rates and Cesses). [ACT IV

THE SCHEDULE—*contd.*

Number, year and short title.	Sections.	Extent of repeal or modification.
Bengal Act I of 1895 (The Public Demands Recovery Act, 1895).	7	In clause (d) of sub-section (1) the words, figures and brackets "section 9 of Bengal Act 8 of 1862 (<i>An Act to improve the system of Zamindari Daks in the Provinces subject to the Government of Bengal</i>) or" to be omitted.
Regulation III of 1872 (The Sonthal Parganas Settlement Regulation).	The Schedule.	The third entry in Part III to be omitted.

D.—*The Lieutenant-Governorship of the Punjab and the Chief Commissionership of the North-West Frontier Province.*

Act XVII of 1887 (The Punjab Land-revenue Act, 1887).	29	In sub-section (1), for the words "one anna" the words "half an anna" to be substituted, and for the words "village-officers" where they occur after the word "remunerating" the words "headmen and chief headmen" to be substituted.
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E.—*The Chief Commissionership of the Central Provinces.*

Act X of 1878 (The Central Provinces Additional Rates Act, 1878).	...	The whole Act to be repealed.
Act XVII of 1878 (The Northern India Ferries Act, 1878).	17	For sub-clause (ii) of clause (c) the following to be substituted:— “(ii) be applied to any local works likely to promote the public health, comfort or convenience.”
Act XVIII of 1881 (The Central Provinces Land-revenue Act, 1881).	77	In clause (a) the word “patwari” to be omitted.
	138	In clause (b) the word “patwaris” to be omitted.
	141	In clause (a) the words “village-patwari and” to be omitted.

THE SCHEDULE—*concl.*

Number, year and short title.	Sections.	Extent of repeal or modification.
Act XVIII of 1881— <i>contd.</i>	143A	In clause (a) the words “patwari and” to be omitted; and for the words “they are” the words “he is” to be substituted.
	146A	The whole section to be repealed.

F.—The Chief Commissionership of Coorg.

Regulation I of 1899 (The Coorg Land and Revenue Regulation, 1899).	24	The whole of sub-section (2) to be repealed.
	25 and 26	The whole of both sections to be repealed.
	115	The words “including the village-officers’ cess” to be omitted.
	119	The words “or paid out of the proceeds of the village-officers’ cess” to be omitted.
	145	In clause (xvi) the words “or arising out of the liability of an assignee to pay out of assigned land-revenue or of a person who would be liable for land-revenue, if it had not been released, compounded for or redeemed, to pay on the land-revenue for which he would but for such release, composition or redemption be liable, such a percentage for the remuneration of a village-officer as may be prescribed by rules for the time being in force under this Regulation” to be omitted.

G.—The Chief Commissionership of Ajmer-Merwara.

Regulation III of 1895 (The Ajmer Patwari Regulation, 1895).	...	The whole Regulation to be repealed.
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ACT NO. V OF 1907.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 18th October, 1907.)

An Act further to amend the Local Authorities
Loan Act, 1879.

WHEREAS it is expedient further to amend the Local Authorities Loan Act, 1879; It is hereby ^{XI of 1879.} enacted as follows :—

Short title.

1. This Act may be called the Local Authorities
Loan (Amendment) Act, 1907.

Definition of
“work”.

2. In section 3 of the Local Authorities Loan
Act, 1879, the word “and” before the word “funds” ^{XI of 1879.} shall be omitted, and after the words “vested in such authority” the following shall be inserted, namely, “and ‘work’ includes a survey whether incidental to any other work or not”.

Amendment
of section 8.

3. In clause (a) of the proviso to section 8 of the said Act, after the words “Port of Bombay” the words “or Karachi” shall be inserted.

ACT NO. VI OF 1907.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 1st November, 1907.)

An Act to make better provision for the prevention of public meetings likely to promote sedition or to cause a disturbance of public tranquillity.

WHEREAS it is expedient to make better provision for the prevention of public meetings likely to promote sedition or to cause a disturbance of public tranquillity; It is hereby enacted as follows :

1. (1) This Act may be called the Prevention of Seditious Meetings Act, 1907. Short title
and extent.

(2) It extends to the whole of British India, but shall have operation only in such Provinces as the Governor General in Council may from time to time notify in the Gazette of India.

2. (1) The Local Government may, by notification in the local official Gazette, declare the whole or any part of a Province, in which this Act is for the time being in operation, to be a proclaimed area. Power of
Local Gov-
ernment to
notify pro-
claimed
areas.

(2) A notification made under sub-section (1) shall not remain in force for more than six months, but nothing in this sub-section shall be deemed to prevent the Local Government from making any further notifications in respect of the same area from time to time as it may think fit.

3. (1) In this Act, the expression "public meeting" means a meeting which is open to the public or any class or portion of the public. Definition.

(2) A meeting may be a public meeting notwithstanding that it is held in a private place and notwithstanding

notwithstanding that admission thereto may have been restricted by ticket or otherwise.

(3) A meeting of more than twenty persons shall be presumed to be a public meeting within the meaning of this Act until the contrary is proved.

Notice to be given of public meetings.

4. (1) No public meeting for the furtherance or discussion of any subject likely to cause disturbance or public excitement or of any political subject or for the exhibition or distribution of any writing or printed matter relating to any such subject shall be held in any proclaimed area—

- (a) unless written notice of the intention to hold such meeting and of the time and place of such meeting has been given to the District Superintendent of Police or the Commissioner of Police, as the case may be, at least three days previously; or
- (b) unless permission to hold such meeting has been obtained in writing from the District Superintendent of Police or the Commissioner of Police, as the case may be.

Power of Police to take report.

(2) Any officer of Police, not below the rank of an Inspector, may, by order in writing, depute one or more Police-officers or other persons to attend any such meeting for the purpose of causing a report to be taken of the proceedings.

Exception:

(3) Nothing in this section shall apply to any public meeting held under any statutory or other express legal authority or to public meetings convened by a Sheriff or to any public meetings or class of public meetings exempted for that purpose by the Local Government by general or special order.

Power to prohibit public meetings.

5. The District Magistrate or the Commissioner of Police, as the case may be, may at any time by order in writing, of which public notice shall forthwith be given, prohibit any public meeting in a proclaimed area if, in his opinion, such meeting is

likely

likely to promote sedition or disaffection or to cause a disturbance of the public tranquillity.

6. (1) Any person concerned in the promotion or conduct of a public meeting held in a proclaimed area contrary to the provisions of section 4 shall be punished with imprisonment for a term which may extend to six months, or with fine, or with both. Penalties.

(2) Any public meeting which has been prohibited under section 5 shall be deemed to be an unlawful assembly within the meaning of Chapter VIII of the Indian Penal Code and of Chapter IX of the Code of Criminal Procedure, 1898.

7. Whoever, in a proclaimed area, in a public place or a place of public resort, otherwise than at a public meeting held in accordance with, or exempted from, the provisions of section 4, without the permission in writing of the Magistrate of the District or of the Commissioner of Police, as the case may be, previously obtained, delivers any lecture, address or speech on any subject likely to cause disturbance or public excitement or on any political subject, to persons then present, may be arrested without warrant and shall be punished with imprisonment for a term which may extend to six months, or with fine, or with both.

Penalty for
delivery of
speeches in
public places.

8. (1) The Regulation of Meetings Ordinance, Repeal. 1907, is hereby superseded.

(2) Nothing contained in this Act shall affect—

the previous operation of the said Ordinance or anything duly done or suffered thereunder; or

any obligation or liability incurred under the said Ordinance; or

any punishment incurred in respect of any offence committed against the said Ordinance; or

any investigation or legal proceeding in respect of any such obligation, liability or punishment as aforesaid;

and

60 *Prevention of Seditious Meetings.* [ACT VI, 1907.]

and any such investigation or legal proceeding may be instituted or continued and any such punishment may be imposed as if the said Ordinance had not been superseded or had not expired.

Duration of
Act.

9. This Act shall continue in force until the expiration of three years next after the passing thereof.

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